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# INFORMATION REPORT

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COUNTRY Germany (Russian Zone)

DATE DISTR. 29 Mar 51

SUBJECT     Activities of Former Directors of  
             German Steel Concerns

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1. The activities of former directors and owners of major German iron and steel firms to influence the Allied-appointed present-day directors have increased in recent months. Men who formerly occupied important positions with Vereinigte Stahlwerke, Gute Hoffnungs Huette, Mannesmann Roehrenwerke, and other firms but now having no official connection with those firms, have on many occasions approached the present directors and attempted to influence their decisions, emphasizing the likelihood that these works will eventually be returned to their former owners.
2. Three former directors of the now-dissolved Vereinigte Stahlwerke, Walter Schwede, Frau Sohl, and Hermann Wenzel are particularly active in this respect. They have frequent contact with Frau Polens, commercial director of the Rheinische Roehrenwerke, formerly a part of Vereinigte Stahlwerke, and attempt to influence Polens to follow business practices consistent with those practiced before 1945 by the parent company. For example, Polens recently sold 15,000 tons of steel pipe, and the three former directors reproached him for not disposing of it through Stahl Union, the steel-marketing company once run by Vereinigte Stahlwerke.
3. Various former directors of Ruhr firms, including Schwede, Sohl, and Wenzel claim that they have been queried by Allied Steel Control Group officials and asked to suggest men to head the new steel firms which will be formed by the reorganization scheme now being worked out. Some of those queried have used this nebulous nominating power as a threat to make present directors comply with their wishes.
4. It is the aim of Schwede and his two associates to so reconstitute Vereinigte Stahlwerke that it can again become a powerful firm. Of the three very large plants formed from Vereinigte Stahlwerke assets, only the Rheinische Roehrenwerke is said to be in good financial and physical shape. The Huettenerwerke Duisburg-Meiderich is antiquated and in need of costly modernization. The third great plant, the August Thyssen Huette is to a great extent dismantled and repairing it will be very expensive. For this reason, Schwede is eager to see the prosperous Rheinische Roehrenwerke plant linked under the new reorganization scheme with either the Huettenerwerke Duisburg-Meiderich, or the Thyssen Huette, so that the profits from one plant can be

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invested in the rebuilding of the other. To reach this end, he is arguing that the Rheinische Roehrenwerke, which makes plate and pipe, needs raw steel from one of the two foundries, Heiderich or Thyssen.

5. Friedrich Flick, formerly owner of a large steel empire, and convicted "war-crime", now lives in semi-retirement in Duesseldorf. All of the major plants of his concern are in the Soviet Zone of Germany, except for one plant in Luebeck and the Maximilianshuetten in Bavaria. Flick has recently told intimates that he would not be averse to entering the armament production business again and has shown interest in a small plant of his near Wuppertal which produced arms during World War II.

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